

CONFIDENTIAL

Service Improvements Act, obliquely addresses section 2 of S. 1750 since such section is contained in these proposals. We have no objection to payment of travel and transportation expenses of Civil Service career appointees at the time of their retirement; since we already provide this benefit to all our employees. As I also mentioned, these two OP memos are included in the packet of all 1987 OP memos addressed to OCA that I recently provided you.

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Next 3 Page(s) In Document Denied

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CONGRESSIONAL RECORD--SENATE

October 2, 1987

MESSAGES FROM THE
PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES
REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:11 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate.

H.R. 2530. An act to provide for the establishment of the Mississippi National River and Recreational Area, and for other purposes; and

H.J. Res. 199. Joint resolution designating April 1988 as "Actors' Fund of America Appreciation Month."

MEASURES REFERRED

The following bill and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2530. An act to provide for the establishment of the Mississippi National River and Recreational Area, and for other purposes; to the Committee on Energy and Natural Resources; and

H. J. Res. 199. Joint resolution designating April 1988 as "Actors' Fund of America Appreciation Month," to the Committee on the Judiciary.

ENROLLED BILL SIGNED

The Secretary of the Senate reported that the following bill, which had been examined and found truly enrolled was signed today, October 2, 1987, by the Acting President pro tempore (Mr. FORD):

S. 1691. An act to provide interim extensions of collections of the Veterans' Administration housing loan fee and of the formula for determining whether, upon foreclosure, the Veterans' Administration shall acquire the property securing a guaranteed loan, and for other purposes.

INTRODUCTION OF BILLS AND
JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SHELBY (for himself and Mr. HEFLIN):

S. 1744. A bill to amend title XIX of the Social Security Act to require plans for medical assistance under such title to disregard regular cost-of-living increases in certain benefits if the increase would have the effect of disqualifying individuals already eligible for such assistance; to the Committee on Finance.

By Mr. DODD:

S. 1745. A bill for the relief of Jose Maria Vaz, to the Committee on the Judiciary.

By Mr. BOSCHWITZ (for himself, Mr. LEAHY, Mr. KASTEN, Mr. GRASSLEY, Mr. DURENBERGER and Mr. PROXMIRE):

S. 1746. A bill to effect any reduction in net expenditures for milk price support activities required by the Balanced Budget and Emergency Control Act of 1985; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROTH (for himself, Mr. BAUCUS, Mr. MOYNIHAN, Mr. CHAFETZ and Mr. WALLOP):

S. 1747. A bill to amend the Internal Revenue Code of 1986 to revise the export financing exception to the separate application of the foreign tax credit limitation to financial services income; to the Committee on Finance.

By Mr. MURKOWSKI (for Mr. DOL (for himself and Mr. BYRD)):

S. 1748. A bill to prohibit the import into the United States of all products of Iran placed on the calendar.

By Mr. MOYNIHAN:

S. 1749. A bill to authorize the Smithsonian Institution to provide for additional facilities for the Cooper-Hewitt Museum, and for other purposes; to the Committee on Rules and Administration.

By Mr. MURKOWSKI (for Mr. STEVENS (for himself and Mr. PRYOR)):

S. 1750. A bill to amend title 5, United States Code, to liberalize certain provisions authorizing reimbursement for expenses of sale and purchase of a residence upon the transfer of a Federal Employee, and to provide for the payment of certain travel and transportation expenses of civil service career appointees placed on the calendar.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1751. A bill to require vessels to manifest the transport of municipal or other vessels nonhazardous commercial wastes transported offshore to ensure that these wastes are not illegally disposed of at sea; to the Committee on Environment and Public Works.

By Mr. BAUCUS:

S. 1752. A bill to establish a Commission to study effects of deregulation of airline industry; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT
AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself, Mr. BREAU, Mr. SYMONS, Mr. CHILES, Mr. BUMPERS, Mr. FORD, Mr. SANFORD, Mr. NICKLES, Mr. QUAYLE, Mr. KEFAYE, Mr. WIRTH, Mr. DOMENICI, Mr. MATSUKAGA and Mr. COCHRAN):

S. Con. Res. 81. Concurrent resolution recognizing the accomplishments of the Federal Aid in Wildlife Restoration Act in honor of its 50th anniversary; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED
BILLS AND JOINT RESOLUTIONS

By Mr. SHELBY (for himself and Mr. HEFLIN):

S. 1744. A bill to amend title XIX of the Social Security Act to require plans for medical assistance under such title to disregard regular cost-of-living increases in certain benefits if the increase would have the effect of disqualifying individuals already eligible for such assistance, referred to the Committee on Finance.

AMENDMENT TO THE SOCIAL SECURITY ACT

Mr. SHELBY. Mr. President, today I am pleased to be joined by my distinguished colleague Senator HEFLIN in introducing a bill that would disregard cost-of-living adjustments for Medicaid-eligible individuals residing in long-term care facilities.

Each year a number of Medicaid recipients in nursing homes become ineligible for Medicaid assistance because of Federal cost-of-living increases that raise these income levels above allowed limits. These cost-of-living adjustments can adversely impact Medicaid eligibility of people receiving Social Security, veterans' benefits, railroad retirement, civil service retirement, or a combination of these benefits.

Moreover, many of these Medicaid beneficiaries residing in nursing homes have already, out of necessity, experienced the desperate phenomenon of "spending down for Medicaid eligibility." This "spending down" is often characterized by the loss of home and all personal resources, and ultimately the complete eradication of any semblance of financial independence. While many can turn to their families for some assistance, the less fortunate, have no family to turn to or have been abandoned by their families and displaced from their communities. In most cases, incomes of these nursing home residents are not enough to cover the incredibly high cost of care.

Mr. President, from what I understand, Federal law requires Medicaid applicants and recipients to take all necessary steps to obtain any benefits to which they are entitled. Those who are due cost-of-living adjustments cannot refuse the increases to maintain their Medicaid eligibility.

Very simply, what this bill allows is a disregard of Federal cost-of-living adjustments for Medicaid recipients in long-term care facilities when such an adjustment would result in the loss of eligibility. This legislative proposal would protect the Medicaid eligibility of nursing home residents receiving any of a variety of Federal benefits or a combination of benefits.

As a member of the Special Committee on Aging, I have heard countless depictions of the terrible time many individuals and families—both young and old—endure in order to become eligible for Medicaid assistance. My bill will in a small way protect those individuals who so desperately need this

ed by the export financing, the costs and the risks associated with the financing negate the profits from the sale. The personal costs related to employing the necessary financial specialist to structure the transactions is prohibitive for most middle-market companies. Moreover, the exporter must have the financial strength to justify carrying the account receivable on its balance sheet. In reality only a few exporters have sufficient annual export volume to justify these out-of-pocket personal expenses, and to warrant taking the associated risks.

Mr. President, the bill I am introducing today would amend the export financing provisions to exempt income derived from both related party and unrelated party export financing activities from the more restrictive foreign tax credit limitation and deferral rules. Our tax law should not include an export financing rule that discriminates against unrelated party transactions. Any benefit derived from the amendment will be directly linked to expanded export financing activities. This is because only the income derived from export activities will be eligible for the exemption from the burdensome new rules governing the foreign tax credit and deferral. This legislation will increase sales for our U.S. exporters, generating an increase in income tax revenues to the Treasury, and helping reduce our trade deficit.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows.

S. 1747

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

SECTION 1. REVISION OF EXPORT FINANCING EXCEPTION TO SEPARATE APPLICATION OF FOREIGN TAX CREDIT LIMITATION TO FINANCIAL SERVICE INCOME.

(a) IN GENERAL.—Clause (iii) of section 904(d)(2)(C) of the Internal Revenue Code of 1986 (relating to financial services income) is amended to read as follows:

"(iii) EXCEPTION FOR EXPORT FINANCING.—(I) IN GENERAL.—Except as provided in subclause (II), the term 'financial services income' does not include any export financing interest.

"(II) EXCEPTION FOR TAXPAYER PREDOMINANTLY ENGAGED IN PROVIDING FINANCIAL SERVICES.—Subclause (I) shall not apply if the taxpayer described in subsection (a) is an entity which is predominantly engaged in the active conduct of a banking, insurance, financing, or similar business, which is a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956), or which is a subsidiary of either."

(b) DEFINITION OF EXPORT FINANCING INTEREST.—Subparagraph (G) of section 904(d)(2) of the Internal Revenue Code of 1986 (defining export financing interest) is amended to read as follows:

"(G) EXPORT FINANCING INTEREST.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'export financing interest' means any interest derived by an applicable taxpayer from financing the sale (or other disposition) for use or con-

sumption outside the United States of any property.

"(ii) WHICH IS MANUFACTURED, PRODUCED, GROWN, OR EXTRACTED IN THE UNITED STATES, AND

"(iii) NOT MORE THAN 50 PERCENT OF THE FAIR MARKET VALUE OF WHICH IS ATTRIBUTABLE TO PRODUCTS IMPORTED INTO THE UNITED STATES.

"(ii) APPLICABLE TAXPAYER.—For purposes of this subparagraph, the term 'applicable taxpayer' means any entity which, is subject to the banking and credit laws of the United States, a foreign country, or a possession of the United States.

"(iii) SPECIAL RULES.—For purposes of this subparagraph—

"(I) LOANS OF EXIMBANK.—The term 'financing' includes the making or purchase of, or participation in, loans made or guaranteed by the Eximbank of the United States.

"(II) FAIR MARKET VALUE.—The fair market value of any property imported into the United States shall be its appraised value, as determined by the Secretary under section 402 of the Tariff Act of 1930 (19 U.S.C. 1401a) in connection with its importation."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1201 of the Tax Reform Act of 1986.

By Mr. MOYNIHAN:

S. 1749. A bill to authorize the Smithsonian Institution to provide for additional facilities for the Cooper-Hewitt Museum, and for other purposes; to the Committee on Rules and Administration.

ADDITIONAL FACILITIES FOR THE COOPER-HEWITT MUSEUM

● Mr. MOYNIHAN. Mr. President, I rise today to introduce the Cooper-Hewitt Renovation Act, a bill to authorize the Smithsonian Institution to renovate and construct new facilities at the Cooper-Hewitt Museum, located in New York City. The Cooper-Hewitt Museum is home to numerous exhibits of decorative arts, textiles, wall coverings, architecture, and folk art.

The Cooper-Hewitt was incorporated into the Cooper Union for the Advancement of Science and Art in 1897. Eighty years later, the Smithsonian Institution acquired the Cooper-Hewitt Museum, at once making the Federal Government responsible for its care and upkeep. It is this responsibility that I address today in introducing the Cooper-Hewitt Renovation Act.

The Cooper-Hewitt sponsors some of the Nation's most treasured design and architecture exhibitions. These have included "The Modern Spirit: Glass from Finland"; "Treasures From Hungary: Gold and Silver From the Ninth to the Nineteenth Century"; and "Memphis/Milano." Lasting reminders of these collections are embodied in the 21 catalogs printed for them which continue to educate many people long after the exhibition ends.

The exhibits and collections at the Cooper-Hewitt are remarkable indeed. That is why it is essential that we properly maintain this, our most prominent museum of design. This is exactly what we seek to do today. This bill provides \$15 million of a \$30 million project for the revocation and im-

provement of the Cooper-Hewitt Museum. The bill provides \$15 million in funds that be raised from private sources.

To see this museum—an inspiration for young designers and architects everywhere—crumble due to lack of funds would indeed be grave loss to our country. A loss we can prevent by supporting this bill.

By Mr. MURKOWSKI (for Mr. STEVENS) (for himself and Mr. PRYOR):

S. 1750. A bill to amend title 5, United States Code, to liberalize certain provisions authorizing reimbursement for expenses of sale and purchase of a residence upon the transfer of a Federal employee, and to provide for the payment of certain travel and transportation expenses of civil service career appointees; placed on the calendar.

REIMBURSEMENT OF CERTAIN EXPENSES OF SALE AND PURCHASE OF A RESIDENCE UPON TRANSFER OF A FEDERAL EMPLOYEE

(Mr. MURKOWSKI submitted the following statement on behalf of Mr. STEVENS.)

● Mr. STEVENS. Mr. President, today, I am introducing legislation to correct an inequity in the current law dealing with the reimbursement of relocation expenses for Federal civilian employees who are transferred to overseas locations and for career Senior Executive Service employees who are relocated by the Government.

Current law authorizes reimbursement of certain expenses, primarily brokerage fees, incurred from the sale and purchase of a home for Federal civilian employees who are transferred and the old and new duty stations are located within the United States, its territories or possessions, the Commonwealth of Puerto Rico, or the areas and installations pursuant to the Panama Canal Treaty of 1977. Employees transferred overseas, then back to the United States are not covered by this law. This often results in serious financial hardships for Federal employees who are transferred to an overseas duty station and who upon completion of their overseas tour are transferred to duty stations in the United States other than the one from which they originally departed. In a letter, March 30, 1987, to the President of the Senate, the General Accounting Office outlined for us the seriousness of this problem, and recommended legislative relief. According to the GAO, the impact on the Federal budget would be minimal and would correct the current inequity for those who serve our Government in foreign posts.

Mr. President, employees reassigned from the United States to an overseas location, and back to the United States, but not to the same area from which they departed, face the same home sale and purchase problems faced by employees relocating within

CONGRESSIONAL RECORD

JANUARY 1987

the United States. Yet they receive none of the expense reimbursement authorized for their coworkers who move within the United States but who do not accept foreign assignments. This problem is acute for the Drug Enforcement Agency and other law enforcement agency personnel assigned overseas, as well as for Department of Defense civilian employees who routinely accept foreign assignments.

This bill would permit Federal agencies to provide the same reimbursements already authorized in law for employees moving within the United States, to employees who transfer from an overseas post to a different duty station in the United States, than the one they left before transferring overseas. Employees who are reassigned overseas and then back to a different U.S. location are, in effect, undergoing an interrupted relocation from one official station within the United States to another. This bill would not apply to the Foreign Service which, because of the special nature of its mission and responsibilities, operates under different statutes and regulations.

Mr. President, section 2 of this bill would correct another inequity. Currently, military and Foreign Service personnel who are relocated by the Government during their Government service are reimbursed upon retirement, for the costs of their last move home. This bill would allow retiring career Senior Executive Service employees who have been geographically relocated by the Government during their civil service careers, reimbursement for travel and transportation expenses of the employee and his or her immediate family to a place of residence other than their last official duty station. The law allows an agency to move these employees at the agency's discretion. It should also provide for a final move home when the employee has moved in the Government's interest and is retiring from Federal service.

In addition to the equity issue, there is some evidence that we are losing many highly skilled and experienced careerists. Senior Executives who have 25 years of Government service—or are age 50 with at least 20 years of service—when asked by the Government to relocate will frequently opt for a discontinued service retirement at a reduced annuity, rather than leave the place where they and their families have settled. The prospect of uprooting and then shouldering the expense of returning in a relatively short time outweighs their desire to continue in Government service. Providing these experienced individuals in the senior ranks of the Federal Government with last-move-home benefits would remove a serious financial disincentive to continuation of their careers. Additionally, I am told by agencies that they have had very talented employees who have refused to join

the SES because there is no way of returning to their preferred place of residence at retirement, except at their own expense. It is particularly true of employees who are moved to high cost areas like Washington. Using the criteria that the SES employee must have previously relocated in the interest of the Government and must be eligible for retirement, it has been estimated that an average of 200 employees per year, Governmentwide, may be eligible for the last move home.

Mr. President, we should not be placing financial hardships on these employees by asking them to pay their own expenses when they move in the interest of the Federal Government. I urge my colleagues to support this important legislation. ●

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1751. A bill to require vessels to manifest the transport of municipal or other nonhazardous commercial wastes transported offshore to ensure that these wastes are not illegally disposed of at sea; to the Committee on Environment and Public Works.

SHORE PROTECTION ACT

Mr. LAUTENBERG. Mr. President, one of New Jersey's most valuable resources—our beaches—have steadily deteriorated in the face of our inability to control the uses and abuses of our shoreline.

Day after day tides of debris have washed up on New Jersey shores despite laws to prevent ocean dumping and to control the disposal of municipal and commercial waste.

People have been blind in their faith that these laws would be obeyed and they have been deceived. It is time for this to end.

Today I am introducing legislation that does not rely on the good will and judgment of those who transport waste. The bill I am introducing today establishes a tracking system for the transport of all municipal and commercial waste transported by vessel.

There will be no more excuses for floating debris on New Jersey's or any other States' beaches.

The bill will accomplish four major things. First, no vessel—public or private—could be used to transport municipal or commercial wastes unless that vessel has a permit. A simple permit, that only requires identification of the boat's owner, mooring location, serial number and primary use. Nothing burdensome for the owner, yet something that would allow us to determine just how many vessels transport this material and who owns them.

Second, each and every shipment of the material would be accompanied by a manifest. Again, nothing fancy, but something to ensure that everything loaded onto the boat gets unloaded at the disposal site, not along the way. The way things operate now, it seems some transporters have the attitude

that's just how it has to be, and to know the difference.

Third, the bill will require the vessel operator and the disposal facilities operators to undertake a basic level of care in loading and unloading the vessels. Currently, there are no restrictions on how high the trash is piled or requirements that it be covered. The bill requires that all of the material be safely loaded and secured during transport.

Because we must search for even more effective measures, the bill also requires EPA and the Coast Guard to conduct concurrent studies on measures to upgrade these requirements.

As chairman of the Transportation Appropriations subcommittee, I have asked the Coast Guard, in our appropriations bill, to conduct a pilot program to test the effectiveness of tracking devices on garbage-carrying vessels. This pilot program will provide both EPA and the Coast Guard with critical information to make determinations about whether more effective measures are required and what those measures should be.

The bill I am introducing today requires the Coast Guard to assess which tracking devices would be most effective for garbage-carrying vessels. It also requires EPA to make a determination about the appropriate role of these devices in the enforcement scheme. These two studies plus the pilot tracking program will give us all of the information we need to move ahead swiftly.

I believe this bill fills a critical gap in our system. It establishes a mechanism to ensure that wastes will not "drift" into our waters and creep onto our shores unnoticed.

I cannot overemphasize the importance of this legislation as we move into an era of steeply rising disposal costs and increasing population. We must be prepared to stem the growing temptation to use our oceans as a cheap and convenient dumping ground.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1751

SHORT TITLE

SECTION 1. This Act may be cited as the "Shore Protection Act of 1987."

TITLE I—VESSEL IDENTIFICATION

DEFINITIONS

SEC. 101. As used in this Act, the term—

(1) "Administrator" means the Administrator of the Environmental Protection Agency, unless indicated otherwise.

The term "manifest" means the form used in identifying the quantity, general composition, origin, routing and destination of the waste.

(3) "municipal or commercial wastes" includes all wastes covered by Subtitle D of the Solid Waste Disposal Act. This shall include any garbage, refuse, or other discarded material.